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14 February 1949

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT : ORE Comments on the Dulles Report

REFERENCE: Memorandum, 26 January 1949, from Deputy Director

1. Attached hereto, in accordance with the request contained in reference memorandum, are the ORE comments on the Dulles Report.

2. ORE's comments are organized in two sections as follows:

- a. Section I, General Statement, contains three parts, treating ORE objectives in reviewing the report, the ORE reaction to the report as a whole, and a summary of ORE recommendations made in Section II.
- b. Section II contains comments on those specific conclusions and recommendations in the report which affect ORE.

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OFFICE OF REPORTS AND ESTIMATES

COMMENTS

on the

DULLES COMMITTEE REPORT TO THE

NATIONAL SECURITY COUNCIL

ON THE

CENTRAL INTELLIGENCE AGENCY

AND

NATIONAL ORGANIZATION FOR INTELLIGENCE

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I. GENERAL STATEMENT

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1. The Objectives of ORE in Reviewing the Dulles Report.

In reviewing the Dulles Report, the Office of Reports and Estimates has as its basic objective, not self-justification or the denial of admitted shortcomings, but a genuinely constructive effort to shed the light of practical working experience upon the problem of improving the production of the intelligence upon which United States policy should be based.

ORE has, therefore, proceeded to examine the recommendations contained in the Dulles Report, has pointed out certain impractical aspects, and has indicated how the recommendations might be most effectively implemented. ORE considers that its intimate acquaintance with the actual problems involved in the production of national intelligence enable it, with the help of the detached perspective of the Dulles Report, to suggest concrete means for carrying out the principles underlying the Report.

2. ORE Reaction to the Report as a Whole.

The Dulles Report is an admirable effort to re-direct CIA to fundamentals and first principles in the production of national intelligence; it proposes in effect a return to the concepts developed at the close of the war during two years of earnest and intense discussion among the most experienced intelligence personnel in Washington. The observations of the Committee appear accurate, and its objectives are sound; but its conclusions are in many respects faulty, and the recommendations for their attainment are in many cases impracticable. Although the proposals bearing on this Office lack, perhaps by intent, both precision and detail, ORE believes that sound administration of the suggested organization, combined with strong NSC direction to the IAC agencies to make their facilities available to CIA, could bring about improved intelligence production.

The Report's greatest weakness stems from the Committee's restricted concept of the extent to which the departmental intelligence activities needed to be investigated in order to appraise their relationship to the operations of CIA. Although the Committee claimed to appreciate the danger of considering CIA activities alone and frankly stated that some correctives were needed outside CIA, specific recommendations were addressed only to CIA and an

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indefensible share of responsibility for CIA's admitted shortcomings was attributed to the Director. The resulting Report contains many acute observations but it also embodies recommendations which could not by themselves bring about the desired results.

3. Summary of ORE Recommendations.

On the basis of the detailed comments (to be found in Section II) on the conclusions and recommendations of the Dulles Report, ORE makes the following summary recommendations.

(1) NSCID #1 and NSCID #3 should be revised to:

- (a) redefine CIA's intelligence production responsibilities as set forth in Section II, paragraph 1 b;
- (b) define those intelligence categories, in fields of common interest, which should be produced centrally by CIA;
- (c) clarify and define departmental intelligence responsibilities to CIA;
- (d) require departmental intelligence agencies to grant priority to the production of intelligence required by CIA; and
- (e) clarify IAC coordination procedures on CIA estimates as recommended in Section II, paragraph 4.

(2) Reorganization of ORE may be required to provide for the production of national intelligence estimates, as distinguished from central research in intelligence fields of common concern. Such reorganization should not be attempted, however, until the action in paragraph (1) above has been completed. ORE should not be divided into two separate CIA Offices for the purpose of separating the two types of intelligence production unless the need for such action is proved and demonstrated.

(3) ORE agrees that ICAPS should be responsible solely to CIA and not to the departmental agencies its members are supposed to represent. It strongly recommends, however, that ICAPS should not be reconstituted

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along the lines suggested in the Report, but should be replaced by a working staff acting for a Council, composed of the DCI and his Assistant Directors, and established to deal with intelligence problems of concern to two or more offices of CIA. The Assistant Directors concerned should attend all meetings of the IAC standing committee.

(4) ORE has no desire to operate the CIA library nor to assume the functions of the Foreign Documents Branch, as long as such services continue to be conducted in support of ORE. It is recommended, therefore, that these two functions remain where they are or be merged as a library service within OCD.

(5) ORE regards as one of its major responsibilities the furnishing of specific and long-range guidance to OO and OSO collection facilities, through the development of coordinated interdepartmental requirements for information. It recommends that this function should not be decentralized to OO and OSO.

(6) ORE direct working-level relations with NSC, JCS, and the State Department Policy Planning Staff should be authorized in order (a) to enable ORE to receive the guidance necessary for its production effort, and (b) to give more direct and effective intelligence support to policy and operational levels.

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II. ORE COMMENTS ON SPECIFIC DULLES REPORT CONCLUSIONS  
AND RECOMMENDATIONS

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1. Conclusion and Recommendation - Chapter V (1).

In the Central Intelligence Agency there has been confusion between the responsibility of producing coordinated national intelligence estimates and responsibility for miscellaneous research and reporting activities.

Conclusion and Recommendation - Chapter VI (4).

The various reports, studies and summaries which are not national intelligence or recognized services of common concern should be discontinued.

a. These two points have been considered together as they are part of the same problem.

b. ORE believes that what the Dulles Committee describes as "confusion" has resulted from CIA's recognition of its threefold responsibilities as the producer of national estimates, as the intelligence facility of the NSC, and as the agency responsible for performing services of common concern. The Committee has failed to recognize the gap that exists between CIA's explicit responsibilities, as set forth in NSCID #3, and CIA's implicit responsibilities as the intelligence facility of the NSC. Moreover, NSCID #3 is so rigid with respect to CIA's production responsibilities and so flexible with respect to those of the departmental intelligence agencies that its usefulness as a working document is seriously impaired. The Committee's conclusion is made on the basis of a dangerously limited view of CIA's responsibilities for intelligence production. Such responsibilities should be considered not solely in terms of the production of "coordinated national intelligence estimates" and "intelligence in fields of common interest" but also in terms of CIA's role as the intelligence facility of the President, the National Security Council and such agencies as may be designated by them.

c. CIA intelligence production responsibilities should include the following, and NSCID #1 and NSCID #3 should be modified accordingly to include a revised and more appropriate definition of national intelligence:-

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(1) To produce intelligence required to reduce to a minimum the element of surprise in foreign situations and developments which affect US national security.

(2) To produce coordinated intelligence estimates required for national planning, policy and operational decisions.

(3) To produce intelligence required to support those agencies designated by the NSC to receive it.

(4) To produce intelligence in fields of common interest to CIA and the departmental intelligence agencies, including economic and scientific intelligence.

(5) To produce intelligence required for CIA estimates not normal to any departmental responsibilities.

d. It should be noted that paragraph c (2) above is the only category of intelligence which conforms to the definition of national intelligence in NSCID #3.

## 2. Conclusion and Recommendation - Chapter V (2).

The provisions of the National Security Act for the production of national intelligence estimates, as interpreted by the National Security Council Intelligence Directives, are sound but have not been effectively carried out.

a. ORE concurs in the assertion that the provisions of the National Security Act for the production of national intelligence estimates are sound, but does not concur in the statement that these provisions are adequately interpreted by the NSCID's, particularly in NSCID #1 and NSCID #3.

b. ORE has taken this position for reasons cited in paragraph 1 b and c above, and for the following additional reasons:

(1) The directives do not provide for adequate treatment of the matter of priority within the departmental intelligence agencies with respect to their support of CIA. Consequently, CIA is unable to make optimum use of departmental intelligence and cannot depend upon timely departmental action in meeting CIA commitments and deadlines.

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(2) The directives do not adequately allocate production responsibilities and do not define intelligence fields of common concern.

### 3. Conclusion and Recommendation - Chapter V (3)

There should be created in the Central Intelligence Agency a small Estimates Division which would draw upon and review the specialized intelligence product of the departmental agencies in order to prepare coordinated national intelligence estimates.

### Conclusion and Recommendation - Chapter VI (1)

In addition to the Estimates Division recommended in the previous Chapter, there should be created out of the present Office of Reports and Estimates a Research and Reports Division to accomplish central research in, and coordinated production of, intelligence in fields of common interests. The staff of this Division should include sufficient representation from the State Department and the Services to insure that their needs are adequately met.

a. These two recommendations have been considered together inasmuch as they are part of the same problem.

b. Partially because the Report is vague concerning the details of the proposed reorganization, opinion is divided in ORE on the necessity or desirability of a drastic internal reorganization now. However, if the Committee's recommendation means that the Estimates Division is to be large enough to provide its own relatively high level research support, the recommendation is workable and might result in simplification of the process of producing estimates. Similarly, the proposed Research and Reports Division, including a basic economic research unit as well as the present Map Branch and such other facilities as might be determined to belong there, could profitably operate apart from the Estimates Division. It must be pointed out, however, that these recommendations are made within the framework

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of the entire Report. It would be highly inadvisable to separate the present ORE functions without making sure that corresponding changes will be brought about in the functions and facilities of the departmental intelligence agencies, particularly in their relationships to CIA. It should also be recognized that decentralization of intelligence production responsibilities, as recommended in the Report, necessarily involves substantial problems of coordination, flow, routing, and priorities of access to source materials and raises the potential danger of an even greater duplication of effort than now exists.

d. ORE therefore believes that these recommendations are premature. Their implementation should be seriously considered only after NSCID #1 and NSCID #3 have been revised and the subsequent effect reviewed.

#### 4. Conclusion and Recommendation - Chapter V (4)

Under the leadership of the Director of Central Intelligence, these estimates should be submitted for discussion and approval by the reconstituted Intelligence Advisory Committee whose members should assume collective responsibility for them.

#### Conclusion and Recommendation - Chapter V (5)

Provision should be made in these arrangements for the handling of crisis situations when coordinated estimates are required without delay.

#### Conclusion and Recommendation - Chapter V (6)

Coordinated intelligence estimates produced in this way must, in order to be effective, be recognized as the most authoritative estimates available to the policy makers.

a. These three recommendations have been considered together as parts of the same problem.

b. ORE cannot agree with the view that members of the IAC should assume collective responsibility for CIA estimates. It is considered that the main question is what sort of estimate should emerge from the national intelligence structure. Those

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who developed the original concept of a central intelligence group had clearly in mind the ever-present factor of departmental bias as well as the shortcomings of joint intelligence, which often produces estimates so watered down in the process of reaching agreement as to be valueless. CIA estimates can be free from such faults only if they are produced with full cognizance of departmental views but without subservience to departmental prejudices. IAC review of CIA drafts should undertake to eliminate minor or apparent differences but not to gloss over divergences of informed opinion. The resultant estimate must be essentially that of CIA and not that of the IAC collectively. Any statements of dissent should be limited to substantial and well-defined issues, as the directives now provide. Moreover, these directives should be further modified to restrict dissent to the field of responsibility of the dissenting agency. (For example, ONI has an interest in political matters but is not responsible for estimates in that field, and CIA should not be required to publish a dissent by ONI on purely political matters if OIR concurs in the CIA position.) The logic of ORE's contention is simply that, just as a dissenting member of the IAC cannot be expected to share in the responsibility for a CIA estimate in which he dissents, so, by extension, CIA has sole responsibility for its estimates, even when IAC concurrence is complete, and does not share this responsibility collectively with the members of the IAC. Concurrence should fortify the estimate; it should not create an artificial responsibility. The Dulles Report does not reflect a clear understanding of this vital aspect of the coordination theory. To the Committee, "national" intelligence is merely "coordinated" intelligence, and coordinated intelligence is joint intelligence, at the mercy of departmental bias.

c. Although the Report favors the method of preparing drafts in an ad hoc committee, the experience of ORE (including the example of "Project 50", cited by the Committee), shows that this procedure is time-consuming and inefficient. ORE believes that coordination procedures will be effective only if its own estimates personnel produce the initial draft as a basis for discussion with a permanent, full-time, substantively competent IAC committee, prior to the submittal of the estimates to the Director for IAC action.

d. ORE agrees that there must be effective means for handling crisis situations. In the light of past experience, some modification of the present DCI 3/1 procedures may now be necessary.

e. ORE believes that its estimates must earn their distinction as the most authoritative intelligence available to the policy-makers. It is, however, recommended that the NSC enjoin the policy makers to give CIA such guidance in matters pertaining to national policy that CIA intelligence support will be more directly responsive to their needs.

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5. Conclusion and Recommendation - Chapter VI (2).

The Coordination Division (reconstituted Interdepartmental Coordinating and Planning Staff) should be given the responsibility for studying the actual scope of the Research and Reports Division and for recommending those services of common concern which should be performed centrally.

a. ORE believes that a revised draft of NSCID #3 should determine the actual scope of intelligence production in fields of common concern and that this should be done whether or not the proposed reorganization of ORE is adopted. ORE recommends that this Office be given the responsibility, in collaboration with the IAC Standing Committee, for re-drafting NSCID #3 for these purposes.

b. Further comments on the ORE concept of the reconstituted ICAPS function are included in 7 below.

6. Conclusion and Recommendation - Chapter VI (3).

The propriety of the preparation by the Central Intelligence Agency of essentially political summaries should be reviewed, taking into consideration the need for such summaries, the existence of a number of duplicating summaries and the particular capabilities of the individual departments to prepare them.

a. ORE does not concur in this recommendation or its implications. In referring to CIA current intelligence publications as "essentially political summaries," the Report properly indicates that those publications are based to a considerable degree on State Department materials. However, a major cause for this preponderance of State Department materials is that Army and Navy do not, as State does, make their highest level intelligence and operational materials available to CIA. A strong NSC directive is required to remedy this situation. Concerning the problem of duplication, ORE believes that such duplication is more apparent than real. Each of the departmental agencies produces periodic summaries which are designed for a specific audience, and no one of those publications could meet the needs of the other audiences. (Even the State Department summaries are specialized; they are diplomatic summaries for readers with an intimate knowledge of diplomatic operations.) CIA current intelligence publications are the only ones designed primarily for the President and the NSC. ORE believes that only CIA has the perspective and the freedom from bias necessary for proper performance of this delicate and significant function.

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b. The President and the members of the NSC have repeatedly expressed their approval of the CIA Daily and Weekly Summaries. Although the Report makes no specific recommendation concerning the CIA monthly "Review of the World Situation", the publication has been well received, insofar as ORE has been able to ascertain.

7. Conclusion and Recommendation - Chapter IV (7).

The ICAPS should be reconstituted as a staff responsible only to the Director of Central Intelligence with the task of developing plans for the coordination of intelligence activities.

a. ORE does not concur in the recommendation that in its reconstituted form ICAPS or the proposed "Coordination Division" should function as recommended in the report.

b. ORE recommends that ICAPS be replaced by a council of Assistant Directors which will advise the Director on matters of intelligence policy and and interdepartmental coordination, and which will prepare drafts of NSCID's and DCI's to implement such proposals.

c. The council of Assistant Directors under the ORE proposal would require a Secretariat to formulate agenda, circulate drafts of papers, arrange and schedule meetings, record conclusions reached, and cause approved plans, policies and directives to be promulgated.

d. Under this proposal, the DCI would be represented on the IAC Standing Committee by the AD or AD's concerned with the problems under discussion.

8. Conclusion and Recommendation - Chapter IV (8).

The responsibilities of the OCD with respect to the coordination of collection requirements and requests and the dissemination of intelligence should be carried out under the new Coordination Division. This is subject to future determination of the extent to which individual offices may conduct their own dissemination.

a. ORE does not agree that the OCD function is appropriate in any sense to its concept of the working staff function recommended for the reconstituted ICAPS in paragraph 9 above.

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9. Conclusion and Recommendation - Chapter VII (4).

The Foreign Documents Branch should be made part of the proposed Research and Reports Division if one is created.

a. Because the FDB function is basically a "source exploitation facility," involving a substantial library and reference function, ORE considers that FDB should remain in OO or be attached to the CIA library. The library should in turn remain in OCD as a central service to all CIA components.

10. Conclusion and Recommendation - Chapter XI (5).

There should be effective coordination between the work of the JIC in the field of military estimates and that of the CIA and IAC in the field of national estimates.

a. ORE believes that intelligence production can be effectively coordinated only at the working level and that ORE representation to the NSC as well as the JIC is necessary.

b. It is strongly recommended, therefore, that the ORE have the responsibility for conducting working-level liaison on substantive intelligence matters with NSC and JIC.

11. Conclusion and Recommendation - Chapter XII (1).

The State Department, to which the NSC has assigned dominant interest in the collection and production of political, cultural and sociological intelligence, should equip itself more adequately to meet the legitimate requirements of the CIA and of other Governmental intelligence agencies for such intelligence.

Conclusion and Recommendation - Chapter XII (2).

The specialized intelligence staff in the State Department, the Research and Intelligence Staff, does not now have sufficient current knowledge of departmental operations and policies to furnish, on behalf of the Department, the basic estimates which may be required by the CIA and the Service intelligence agencies.

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a. These two conclusions and recommendations have been considered together as being separate parts of the same problem.

b. ORE concurs in each statement. (1) As long as the intelligence facilities of the Department of State are inadequate to meet CIA deadlines and CIA specifications for intelligence production, CIA has no alternative but to produce its own political, cultural and sociological intelligence. (2) As long as OIR is denied access to needed information which is available in the Department, ORE cannot risk the assumption that OIR intelligence production is complete and accurate.

12. Conclusion and Recommendation - Chapter XII (3).

The liaison between the State Department and the Central Intelligence Agency should be closer and put on a continuing effective basis.

a. ORE concurs. Authorization should be granted ORE to maintain effective liaison with political and operational levels in the Department of State in addition to the liaison presently authorized with OIR. It is particularly important that ORE have effective working relations with the Department's Policy Planning Staff in order to coordinate intelligence production requirements. ORE intelligence production plans should be in phase with the policy planning of the Department. The present arrangement, authorizing ORE to deal only with the Office of Special Assistant for Intelligence, prevents CIA from receiving guidance from the State Department policy level.

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